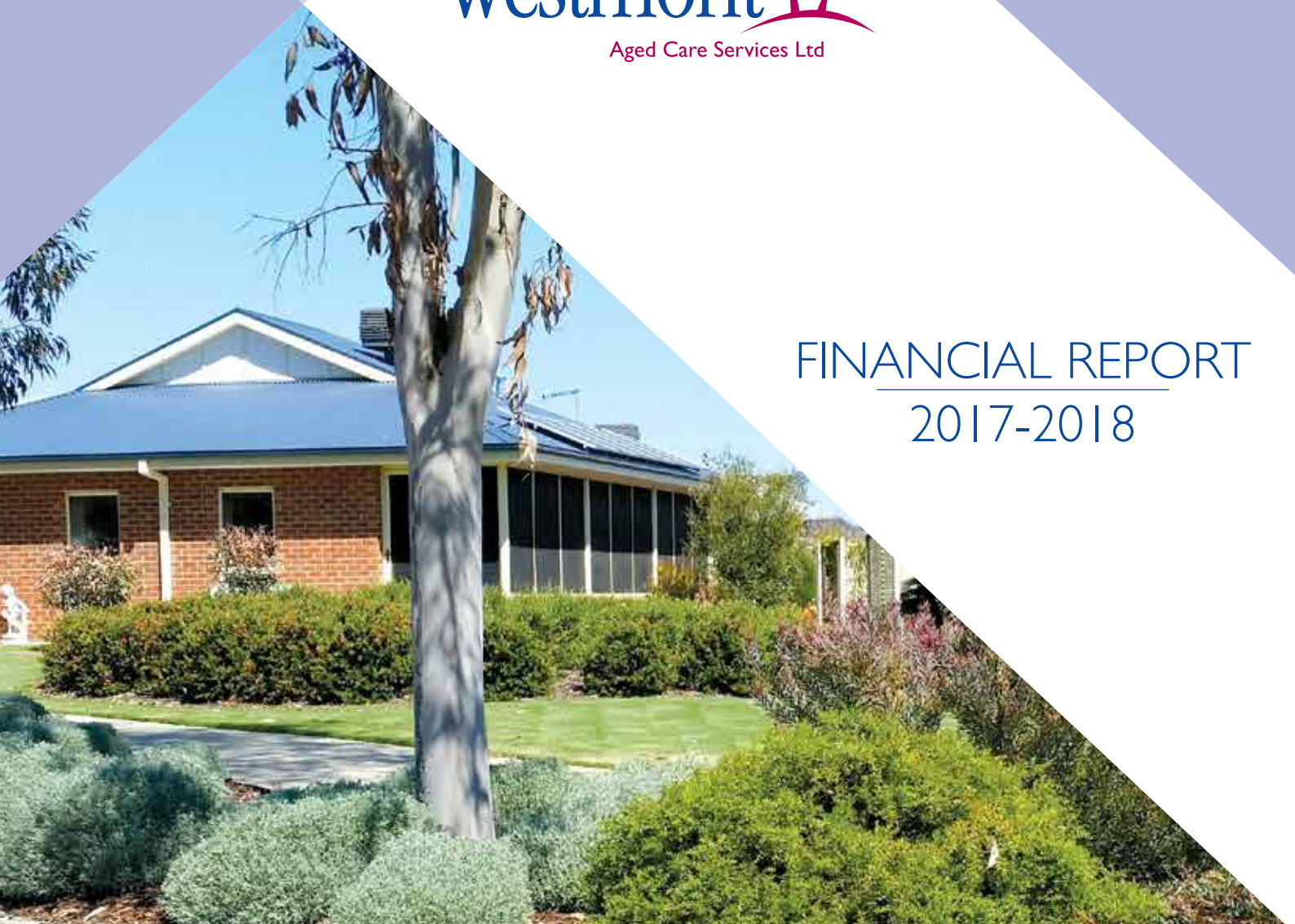




FINANCIAL REPORT

2017-2018



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Director's Report

The Directors present their report with the financial report of Westmont Aged Care Services Limited for the period ended 30 June 2018.

Directors

The names of the Directors of Westmont Aged Care Services Limited at any time during or since the end of the financial year are:

Name and Qualifications	Age	Experience and Special Responsibilities
Trevor McLean Bachelor of Commerce, Dip. Financial Planning, FCPA, FAICD	75	Director since 2009. Chairman since 2013 Deputy Chairman 2012 - 2013 Managing Director, MAPS Group Ltd 11 years Director Finance & Treasury, City of Melbourne 9 years Money Broker, ANZ McCaughans 2 years Assistant Treasurer Australia Post 3 years Australian Defence Forces 9 years Adviser in Vietnam 1 year
Andrew Williams Bachelor of Law	66	Director since 2004 and Deputy Chairman since 2008 Partner Warren Graham & Murphy Solicitors 12 years Director Kell Moore Lawyers 22 years, "Nationally Accredited Mediator 6 years, Andrew Williams Lawyer Consultant and Mediator 4 years"
Eleanor Leoni Fitz Master Degree Business (HM) Grad. Dip.Ed. Admin, Dip. App. Sc Food Services Teaching Certificate Work Place Trainer Certificate UK Trade Certificates Catering Management	74	Director since 2004 and Company Secretary since 2012 40 years Educational and Business Management experience Food Services – Aged Care Consultant International Vocational Education & Training Consultancy Business Partner Transport Services Tourism Services - Special Interest Cruises
Neville Gordon Seymour	79	Director since 2004 Deputy Chairman 2004 – 2008 21 years experience in local government as Councillor and Shire President 20 years Gundowring CFA Captain 30 years President Dederang Reserve Committee Many years on local and regional community and welfare committees 2014 Member of Country Racing Working Party (3-year appointment) 2016 Director, Wodonga Cemetery Trust
Andrew Geoffrey Brown Registered Nurse Diploma of Management Tertiary studies in Health Sciences and Commerce GAICD	50	Director since 2013 and Deputy Chairman since November 2016 30 years experience in the health industry - clinical, management, project management and at executive level in regional roles in health services in both public and private sectors. 3 ½ years Director of Quality and Clinical Governance Albury Wodonga Health. Board Director Tallangatta Health Service and Chairman 2012 - 2014 General Manager Client Services, Gateway Health - current

Director's Report

Name and Qualifications	Age	Experience and Special Responsibilities
Angela Collins	58	Director since 2013 6 years Morses Newsagency 18 years Myer 7 years Elders Real Estate 4 years Councillor City of Wodonga (2 years as Deputy Mayor) Fully licenced Real Estate Agent in NSW & Victoria Ian Ritchie Real Estate 2010 – current
Dr William Robert Keeton PhD - Management Masters - Management Bachelor - Political Science	56	Director since 2017 20 years United States of America-Army Logistics 10 years Research student/casual lecturer- La Trobe University 3 years Director of Research- Centaur Institute Pty Ltd Lecturer La Trobe University- Current

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

The company secretary at the end of the financial year was Mrs Eleanor Fitz.

Principal Activities

The principal activity of the Company during the course of the year was the operation of aged care services.

Operating Result

The net surplus of the Company for the year ended 30 June 2018 was \$1,459,855 (2017: surplus of \$368,850). Prior to depreciation the Company had a surplus of \$3,221,996 (2017: surplus of \$1,968,779). The Company is exempt from income tax.

Dividends

As the Company is a limited company by guarantee and does not have share capital, no dividend is payable.

Significant Changes in the State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs that occurred during the financial period under review not otherwise disclosed in this report or the financial report.

Director's Report

Review of Operations

Westmont Aged Care Services has continued to develop and operate a range of aged care, residential and community services for the people of Wodonga and the surrounding region in the 2017.18 financial year. The operation is divided into 4 distinct segments, Residential Aged Care, Assisted Living Apartments, Retirement Village and Community Care Operation. All segments apart from the Apartments, prior to depreciation, returned surpluses on their operations.

This financial year, the 40 Apartments continue to operate steadily. Occupancy for the most part, continues to be around 100% full, albeit for a short period, as a number of residents have taken the opportunity to move to the Homestead.

The Village, which is approaching 90% completion, continues to attract strong interest. It is expected that the Village construction will be completed in the early part of 2019, and the expectation that the last of 123 Villas will be occupied by the end of the 3rd quarter of 2018.19.

In December 2017, the construction of the much-anticipated Recreation Centre was completed, under budget and is now being utilized for a wide range of purposes. Judging by the many comments passed, the building is meeting, and in most cases exceeding expectations.

As in previous years, the Homestead (100 beds) residential aged care facility has maintained almost 100% occupancy throughout the year. The Homestead has been the cornerstone of Westmont's operation since moving to the Baranduda site

Community Care component of the Westmont business continues to be the growth component. Beginning the year operating out of "the Willows" building in McFarland Road Wodonga, the administration, scheduling, assessing and management staff of the operation moved to new leased premises in Beechworth Road Wodonga. Lack of space prompted the move, but also there has been the continued increase in the Home Care Package uptake since the Consumer Directed Care reforms which commenced in February 2017 and more space was needed. The site in Beechworth Road has provided easier access to Clients as well as providing a more prominent shop front to potential new clients. The Willows site will continue to provide Social Support and Planned Activity programs.

Funding from the Commonwealth Government is continually being monitored and maximising this component of funding is the key to Westmont's ongoing success, not only in Residential Aged Care, but in the Community Care space as well. Westmont will continue to pursue Home Care Packages, and the aim in time, is to win and maintain and grow the number of Home Care Packages that we currently support.

The Board is confident of continued positive financial results with prudent fiscal management.

Director's Report

Indemnification and insurance of Directors and Officers

During the year, a premium was paid in respect of a contract insuring directors and officers of the Company against liability. The officers of the Company covered by insurance contract include the directors, executive officers, secretary, and employees. In accordance with the normal commercial practice, disclosure of the total amount of premium payable under, and the nature of the liabilities covered by, the insurance is prohibited by a confidentiality clause in the contract.

The Company has not indemnified its auditors.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's independence

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 5 of the financial report.

This report is signed in accordance with a resolution of the directors.

Signed in accordance with a resolution of the Board of Directors:



William Keeton
Director & Member of Audit, Finance & Risk Committee

21 September 2018

Auditors' Independence Declaration

As lead auditor for the audit of Westmont Aged Care Services Pty Ltd for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- a.) No contraventions of the auditor independence requirements of the *Corporations Act 2001* or *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- b.) No contraventions of any applicable code of professional conduct in relation to the audit.

Johnsons MME
Chartered Accountants



Stephen Clarke
Director

Albury
21 September 2018

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	NOTE	2018 \$	2017 \$
Revenue			
Revenue from Operating Activities		13,156,415	11,956,640
Revenue from Non-Operating Activities		4,623,215	3,300,577
	2	17,779,630	15,257,217
Expenditure			
Employee Benefits Expense		(10,523,510)	(9,802,547)
Finance Costs		(82,231)	(76,584)
Other Expenses		(3,951,893)	(3,409,307)
	3	(14,557,634)	(13,288,438)
Surplus for year before depreciation		3,221,996	1,968,779
Depreciation Expense	3	(1,762,141)	(1,599,929)
Surplus/(deficit) before income tax		1,459,855	368,850
Income tax expense	1(e)	-	-
Net surplus/(deficit) for the year		1,459,855	368,850
Other comprehensive income			
Net gain on revaluation of non-current assets		488,195	4,944,303
Total comprehensive result for the year		1,948,050	5,313,153

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement Of Financial Position

as at 30 June 2018

	NOTE	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	4,394,589	2,293,410
Trade and other receivables	6	810,778	902,798
Other	7	186,728	84,490
Total current assets		5,392,095	3,280,698
Non-current assets			
Property, plant and equipment	8	38,529,286	37,159,730
Investment Property	9	37,044,500	27,106,818
Total non-current assets		75,573,786	64,266,548
Total assets		80,965,881	67,547,246
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,716,926	884,650
Employee benefits	11	1,385,000	923,660
Other	12	53,842,465	43,471,816
Total current liabilities		56,944,391	45,280,126
Non-current liabilities			
Employee benefits	13	567,500	766,240
Provisions	14	418,650	413,590
Total non-current liabilities		986,150	1,179,830
Total liabilities		57,930,541	46,459,956
Net assets		23,035,340	21,087,290
EQUITY			
Retained surplus		3,716,251	2,754,512
Other reserves		1,260,486	762,370
Asset revaluation reserve		18,058,603	17,570,408
Total equity		23,035,340	21,087,290

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement Of Changes in Equity

for the year ended 30 June 2018

	NOTE	Retained Earnings \$	Asset Revaluation Reserve \$	Other Reserves \$	Total \$
Balance at 30 June 2016		1,501,708	13,740,132	-	15,241,840
- Impact of change in accounting policy	1(o)	784,427	(562,679)	-	221,748
- Impact of change in accounting policy	1(o)	(146,694)	-	-	(146,694)
- Correction of error	1(p)	457,243	-	-	457,243
Surplus/(deficit) for year		368,850	-	-	368,850
Revaluation increment		-	4,944,303	-	4,944,303
Transfer to/(from) reserves		(211,022)	(551,348)	762,370	-
Balance at 30 June 2017		2,754,512	17,570,408	762,370	21,087,290
Surplus/(deficit) for year		1,459,855	-	-	1,459,855
Revaluation increment		-	488,195	-	488,195
Transfer to Retained Earnings		(498,116)	-	498,116	-
Balance at 30 June 2018		3,716,251	18,058,603	1,260,486	23,035,340

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Receipts from residents and government	14,893,551	13,672,848
Payments to suppliers and employees	(13,872,183)	(13,105,233)
	1,021,368	567,615
Interest received	32,217	57,838
Interest Paid	(82,231)	(76,584)
Net cash inflow (outflow) from operating activities	971,354	548,869
Cash flows from investing activities		
Payments for property, plant & equipment	(2,249,224)	(243,857)
Payments for investment properties	(8,132,137)	(7,356,837)
Net cash inflow (outflow) from investing activities	(10,381,361)	(7,600,694)
Cash flows from financing activities		
Apartments Lease premiums received	942,000	1,411,000
Apartments Lease premiums repaid	(1,416,460)	(1,274,680)
Accommodation RAD's received	5,252,174	3,038,596
Accommodation bonds/ RAD's repaid	(3,197,043)	(4,807,701)
Villa lease premiums received	11,660,291	9,141,668
Villa lease premiums repaid	(1,729,776)	(923,291)
Net Cash provided by (used in) Financing Activities	11,511,186	6,585,592
Net increase (decrease) in cash and cash equivalents held	2,101,179	(466,233)
Cash and cash equivalents at the beginning of the financial year	2,293,410	2,759,643
Cash and cash equivalents at the end of the financial year	5 4,394,589	2,293,410

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes To And Forming Part Of The Financial Statements

for the year ended 30 June 2018

1. Summary of significant accounting policies

(a) Basis of preparation of accounting

Westmont Aged Care Services Ltd ("the company") applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not for Profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Reporting Standards (IFRS) requirements. The Company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the company has elected to apply options and exemptions within the accounting standards which are applicable to not-for-profit entities.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated. Comparative information has been reclassified where appropriate to enhance comparability. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. Unless stated otherwise, the accounting policies have been consistently applied to all years presented.

(b) Revenue

Revenue from Government subsidies and revenue from resident's contributions and deferred lease premiums, which are attributable to the current financial year, are recognised when accrued. Interest revenue is recognised when accrued. All revenue is stated net of the amount of goods and service tax (GST).

(c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes deposits at call, which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of any outstanding bank overdrafts.

(d) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision is raised when some doubt as to collection exists.

(e) Income Tax

The company is an approved Public Benevolent institution and, as such, is exempt from income tax.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or their fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial valuations by independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to an asset revaluation reserve in equity. Decreases that offset previous increases of the same asset class are recognised against the asset revaluation reserve directly in equity. All other decreases are recognised in the statement of profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount related to the revalued amount.

Plant & equipment

Plant & equipment are measured at cost less accumulated depreciation and any impairment losses. Cost is measured as the fair value of the assets given up, liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. The purchase method of accounting is used for all acquisitions of assets.

The carrying amounts of property, plant and equipment are reviewed annually by the directors to ensure they are not in excess of the recoverable amount from those assets.

Items with a cost in excess of \$1,000 are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets, including buildings is depreciated over their useful lives commencing from the time the asset is held ready for use.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment at cost	10%
Motor Vehicles	15%

An asset's carrying amount is written down to its recoverable amount. If the assets carrying amount is greater than its recoverable amount (refer note (i)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(h) Investment Property

Investment properties are held to generate lease income and capital appreciation. All tenant leases are on an arm's length basis. Investment properties are initially measured at cost and subsequently measured at fair value. Fair value is determined annually and any changes to fair value are recognised in the statement of profit or loss.

The fair value of investment properties is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value of investment properties is determined annually based on a valuation by an independent valuer with relevant professional qualifications. Fair values are generally determined using market information, including sale prices for similar properties in comparable locations.

(i) Impairment of Assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. As the company is a not-for-profit entity, the value in use is the depreciated replacement cost of the asset.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee entitlements

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on commonwealth bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction cost are expensed to profit or loss immediately.

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

(n) Adoption of the New and Revised Accounting Standards

A number of Australian Accounting Standards have been issued or amended during the current year which may be applicable to the Company but are not yet effective. The directors have noted the likely impact of these amendments and have determined they will have an immaterial, if any, impact on the company. Consequently, they have not been adopted in the preparation of these financial statements.

(o) Change in Accounting Policy

Accounting for Investment properties – AASB 140

In previous years the company's independent living units (ILU) had been classified as property, plant & equipment under AASB 116. The company has reviewed the purpose for which the ILUs are held and confirmed that they are held to earn lease revenue and for capital appreciations. Therefore, the company has elected to classify ILUs as investments properties under AASB 140. The impact of the change in accounting policy has been the restatement of the 2017 comparatives within the financial statements as detailed below.

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

Accounting for Long Service Leave – AASB 119

In previous years the company's provision for Long Service Leave did not recognise a liability for employees who had been with the company for less than 7 years. The Company is now recognising service for all employees in accordance with AASB 119 Employee Benefits with the impact of the change in accounting policy has been the restatement of the 2017 comparatives within the financial statements as detailed below.

(p) Correction of error

In previous years the company established a provision for the future refurbishment and asset replacement costs in respect to independent living units and apartments. This provision does not meet the definition of a liability as it does not create a present obligation based on a past event. Going forward estimated future costs for asset refurbishment and replacement will accounted for as a reserve in equity. The effect of the correction of error has been the restatement of the 2017 comparatives amounts included within the financial statements as detailed below.

Statement of Profit or Loss and Other Comprehensive Income	Actual 2017	Effect of Policy Change AASB 140	Effect of Error Correction	Effect of Policy Change AASB 119	Restated 2017
- Revenue	14,694,538	562,679	-	-	15,257,217
- Depreciation	(2,358,410)	758,481	-	-	(1,599,929)
- Other Expenditure	(13,486,129)	-	305,127	(107,436)	(13,288,438)
Net Profit/(Loss) for the year before income tax	(1,150,001)	1,321,160	305,127	(107,436)	368,850
Statement of financial Position					
- Current Assets	3,280,698	-	-	-	3,280,698
- PP&E	62,310,050	(25,150,320)	-	-	37,159,730
- Investment properties	-	27,106,818	-	-	27,106,818
- Current Liabilities	(2,295,230)	-	-	-	(2,295,230)
- Non-Current Liabilities	(43,497,006)	-	-	(254,130)	(43,751,136)
- Provisions for lessee's share of capital gain	-	(413,590)	-	-	(413,590)
- Other	(762,370)	-	762,370	-	-
Net Assets	19,036,142	1,542,908	762,370	(254,130)	21,087,290
Statement of Changes in Equity					
- Opening retained earnings	(2,053,056)	(784,427)	(457,243)	146,694	(3,148,032)
- Surplus/(deficit) for the year	1,150,001	(1,321,160)	(305,127)	107,436	(368,850)
- Asset revaluation reserve	(18,133,087)	562,679	-	-	(17,570,408)
Total Equity	(19,036,142)	(1,542,908)	(762,370)	254,130	(21,087,290)

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

2. Revenue

	2018	2017
	\$	\$
Operating Activities		
Fees from Residents for Care Delivery	2,397,367	2,216,980
Fees from Community Clients	988,336	947,182
Government Service Fees for Care Delivery	6,412,537	6,239,342
Government Service Fees for Community Clients	3,197,790	2,396,108
Transitional Care Program	160,385	157,028
Total Revenue from Operating Activities	13,156,415	11,956,640
Non-Operating Activities		
Gain on revaluation of investment properties	1,805,545	562,679
Government Service Fees for Accommodation Supplements	483,144	473,642
Bond Retentions & Deferred Management Fees	1,059,204	906,832
Fees from Clients for Accommodation	987,292	1,050,720
Coffee Shop	107,643	104,045
Donations	1,366	2,366
Interest	32,217	57,838
Other (incl Net Proceeds from sale of Assets)	146,804	142,455
Total Revenue from Non-Operating Activities	4,623,215	3,300,577
Total Revenue	17,779,630	15,257,217

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

3. Expenses

	2018	2017
	\$	\$
Employee Benefits		
Salaries & Wages	8,323,911	7,588,616
Employee Provisions	1,626,988	1,475,687
Superannuation	858,210	765,706
Workcover	168,406	171,828
Less: Capitalised Wages	(454,005)	(199,290)
Total Employee Benefits	10,523,510	9,802,547
Other Expenses		
Clinical & Care Costs	437,350	430,585
Domestic Services incl Laundry	181,822	152,047
Coffee Shop	46,142	38,890
Food Services incl Meals on Wheels	846,515	799,961
Grounds, Repairs & Maintenance	499,927	299,585
Utilities	379,616	291,745
Insurance	49,632	30,656
IT & Communications	337,493	242,337
Other Expenses	1,173,396	1,123,501
Total Other Expenses	3,951,893	3,409,307
Finance Costs		
Interest Expense on refund of accommodation deposits	55,046	52,062
Interest and facility fees on Bank accounts	27,185	24,522
Total Finance Costs	82,231	76,584
Total Expenses	14,557,634	13,288,438
Depreciation		
Buildings & improvements	1,385,024	1,171,889
Plant, Equipment & Fittings	296,500	353,420
Motor Vehicles	76,258	70,750
Leasehold Improvements	4,359	3,870
Total Depreciation	1,762,141	1,599,929

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

4. Profit

	2018	2017
	\$	\$
Net gains and expenses		
Profit before income tax expense includes the following expenses:		
Movement in provisions for employee benefits	262,600	118,653

5. Current assets – Cash and cash equivalents

	2018	2017
	\$	\$
Cash on hand	2,550	2,650
Cash at bank and on term deposit	4,392,039	2,290,760
	<u>4,394,589</u>	<u>2,293,410</u>

6. Current assets – Trade and other receivables

	2018	2017
	\$	\$
Village Lease premiums	327,158	408,492
Homestead Resident fees	40,757	75,554
Community Care (incl HACCC)	282,292	210,839
GST Refund	111,198	133,832
Other receivables	49,373	74,081
	<u>810,778</u>	<u>902,798</u>

Ageing

	Gross	Current	Overdue but not impaired		
			30+	60+	90+
Village Lease premiums	327,158	327,158	-	-	-
Homestead Resident fees	40,757	12,034	7,068	21,655	-
Community Care (incl HACCC)	282,292	164,060	46,311	19,038	52,883
GST Refund	111,198	111,198	-	-	-
Other receivables	49,373	47,892	-	1,481	-
	<u>810,778</u>	<u>662,342</u>	<u>53,379</u>	<u>42,174</u>	<u>52,883</u>

7. Current assets – Other

	2018	2017
	\$	\$
Prepayments	186,728	84,490

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

8. Non-current assets – Property, plant and equipment

	2018	2017
	\$	\$
Freehold Land - at fair value	3,595,000	3,595,000
Buildings & improvements - at fair value	32,355,000	31,159,001
Total land, buildings & improvements	35,950,000	34,754,001
Plant and equipment- at cost	2,948,195	2,816,348
Less Accumulated Depreciation	(2,081,843)	(1,773,460)
	866,352	1,042,888
Motor Vehicles- at cost	655,566	561,548
Less Accumulated Depreciation	(356,253)	(279,996)
	299,313	281,552
Lease hold improvements	68,020	68,020
Less Accumulated Depreciation	(12,096)	(7,737)
	55,924	60,283
Construction works in progress - at cost	1,357,697	1,021,006
Total property and equipment	38,529,286	37,159,730

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Land	Buildings & Improvements	Plant & Equipment	Motor Vehicles	Lease hold improvements	Work in Progress	Total
WDV 30 June 2017	3,595,000	31,159,001	1,042,888	281,552	60,283	1,021,006	37,159,730
Additions	-	-	119,964	94,019	-	10,706,485	10,920,468
Disposals	-	-	-	-	-	-	-
Transfers	-	2,092,828	-	-	-	(10,369,794)	(8,276,966)
Revaluation	-	488,195	-	-	-	-	488,195
Depreciation	-	(1,385,024)	(296,500)	(76,258)	(4,359)	-	(1,762,141)
WDV 30 June 2018	3,595,000	32,355,000	866,352	299,313	55,924	1,357,697	38,529,286

Land, buildings and improvements independently valued by Nelson Partners Australia Pty Ltd, certified practising valuers as at 30 June 2018. The valuation was at market value based on the going concern basis.

9. Investment Property

	2018 \$	2017 \$
Balance at the beginning of the period	27,106,818	18,970,000
Additions	8,132,137	7,574,139
Revaluation	1,805,545	562,679
Balance at end of the period	37,044,500	27,106,818

Investment Property independently valued by Nelson Partners Australia Pty Ltd, certified practising valuers at \$39,344,500 as at 30 June 2018. The valuation was at market value based on the going concern. This valuation included the recently constructed Ray Snell Recreation Centre. The Directors have elected to classify the Ray Snell Recreational Centre as building and improvements at Note 8.

10. Current liabilities – Trade and other payables

	2018 \$	2017 \$
Trade creditors	536,154	295,709
Capital Creditors	433,941	39,663
Other creditors and accruals	746,831	549,278
	1,716,926	884,650

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

11. Current liabilities – Employee benefits

	2018	2017
	\$	\$
Provision for annual leave	609,700	516,190
Provision for long service leave	775,300	407,470
	1,385,000	923,660

12. Current liabilities – Other

	2018	2017
	\$	\$
Residential aged care – entry deposits	12,311,725	10,275,050
Lease premiums entry deposits:		
- apartments	7,685,037	8,340,980
- village	33,845,703	24,855,786
	53,842,465	43,471,816

All entry deposits, whether residential aged care or lease premiums are technically due within 12 months as they represent a present obligation to pay with no right of deferral. However, from historical trends and known facts the directors only expect that \$7,200,000 (2017: \$6,343,279) to be paid out in the next 12 months.

Reconciliation

	2018	2017
	\$	\$
Opening balance	43,471,816	37,384,564
Add: entry deposit to be received	327,158	408,492
Add: entry deposits received	17,445,973	13,591,264
Less: entry deposits refunded	(6,343,279)	(7,005,672)
Less: retentions/deferred lease premiums paid	(1,059,203)	(906,832)
Closing balance	53,842,465	43,471,816

13. Non-current liabilities – Employee benefits

	2018	2017
	\$	\$
Provision for long service leave	567,500	766,240

14. Non-current liabilities – Provisions

	2018	2017
	\$	\$
Independent living units – Lessees share of capital gain	418,650	413,590

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

15. Segment Reporting / Entity Details

Westmont Aged Care Services Ltd operates a community owned not for profit business located at Baranduda, in the City of Wodonga, servicing surrounding areas and incorporates residential aged care, respite care, assisted living units, independent living villas and community care.

15. (a) Assets and liabilities and income and expenses by segment are set out below:

	Residential Aged Care		Apartments		Village		Community		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Assets										
Cash & cash equivalents	3,133,999	1,527,041	136,040	115,573	1,124,550	650,796	-	-	4,394,589	2,293,410
Trade & Other receivables	388,057	174,671	-	-	327,158	562,241	282,291	250,376	997,506	987,288
Property, plant & equipment	24,764,658	22,954,820	9,899,594	9,939,423	3,664,870	4,083,228	200,164	182,259	38,529,286	37,159,730
Investment Properties	-	-	-	-	37,044,500	27,106,818	-	-	37,044,500	27,106,818
Total Assets	28,286,714	24,656,532	10,035,634	10,054,996	42,161,078	32,403,083	482,455	432,635	80,965,881	67,547,246
Liabilities										
Trade & Other Payables	850,150	552,958	-	74,305	450,668	93,303	416,111	164,084	1,716,929	884,650
Provisions	-	-	-	-	418,650	413,590	-	-	418,650	413,590
Employee Benefits	1,952,500	1,689,900	-	-	-	-	-	-	1,952,500	1,689,900
Accommodation Deposits	12,311,725	9,788,130	-	-	-	-	-	-	12,311,725	9,788,130
Lease premiums	-	-	7,685,037	8,340,980	33,845,700	25,342,706	-	-	41,530,737	33,683,686
Total Liabilities	15,114,375	12,030,988	7,685,037	8,415,285	34,715,018	25,849,599	416,111	164,084	57,930,541	46,459,956
Net Assets	13,172,339	12,625,544	2,350,597	1,639,711	7,446,060	6,553,484	66,344	268,551	23,035,340	21,087,290

Notes To And Forming Part Of The Financial Statements
for the year ended 30 June 2018

15. (b) Segment Revenues & Expenses:

	Residential Aged Care		Apartments		Village		Community		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Revenue										
Government Service fees	6,895,681	6,712,984	-	-	-	-	3,197,790	2,396,108	10,093,471	9,109,092
Client & Resident fees	2,209,020	2,228,966	672,411	672,404	503,228	366,330	988,336	947,182	4,372,995	4,214,882
Transitional Care	160,385	157,028	-	-	-	-	-	-	160,385	157,028
Retentions	18,456	36,928	-	-	-	-	-	-	18,456	36,928
Deferred management fees	-	-	181,483	229,323	859,265	640,581	-	-	1,040,748	869,904
Valuation increment	-	-	-	-	1,805,545	562,679	-	-	1,805,545	562,679
Interest	3,947	30,661	2,902	5,417	25,368	21,760	-	-	32,217	57,838
Other revenue	140,585	147,456	20,088	34,597	20,292	2,179	74,848	64,634	255,813	248,866
Total Revenue	9,428,074	9,314,023	876,884	941,741	3,213,698	1,593,529	4,260,974	3,407,924	17,779,630	15,257,217
Operating expenses										
Resident & Client Care	4,477,873	4,433,446	7,500	33,805	-	10,360	3,429,914	2,677,804	7,915,287	7,155,415
Catering Services	1,546,765	1,534,719	313,067	279,840	-	-	-	-	1,859,832	1,814,559
Domestic Services	930,291	916,831	236,797	165,408	40,067	34,260	27,794	14,070	1,234,949	1,130,569
Maintenance & Grounds	440,437	477,377	141,326	158,008	419,102	275,299	28,702	150,434	1,029,567	1,061,118
Utilities	202,885	138,514	89,900	47,003	191,319	93,926	46,921	-	531,025	279,443
Administration	675,828	607,805	140,944	154,758	121,806	164,521	292,974	367,220	1,231,552	1,294,304
Finance costs	66,378	65,656	5,537	4,615	10,316	6,313	-	-	82,231	76,584
Corporate	277,262	292,112	26,620	44,957	31,309	63,968	338,000	75,409	673,191	476,446
Depreciation	1,084,940	1,071,252	457,353	479,480	148,132	-	71,716	49,197	1,762,141	1,599,929
Total operating expenses	9,702,659	9,537,712	1,419,044	1,367,874	962,051	648,647	4,236,021	3,334,134	16,319,775	14,888,367
Surplus/(Deficit)	(274,585)	(223,689)	(542,160)	(426,133)	2,251,647	944,882	24,953	73,790	1,459,855	368,850

Costs in relation to the Ray Snell Centre amounting to \$75,627 allocated to Village

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

16. Contingent Liability

The directors are not aware of any contingent liability that may exist as at 30 June 2018.

17. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, accommodation bonds and lease premiums. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2018 \$	2017 \$
(i) Financial Assets			
Cash on hand	5	4,394,589	2,293,410
Trade and other receivables	6	810,778	902,798
Total Financial Assets		5,205,367	3,196,208
(ii) Financial Liabilities			
Trade and other payables	10	1,716,926	884,650
Residential aged care – bonds and deposits	12	12,311,725	10,275,050
Lease Premiums			
- Apartments	12	7,685,037	8,340,980
- Village	12	33,845,703	24,855,786
Total Financial Liabilities		55,559,391	44,356,466

18. Events occurring after balance date

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

19. Commitments for Capital Expenditure

Capital commitments payable as follows:

	2018 \$	2017 \$
Independent Living Villas	2,036,000	1,140,000
Recreation Centre	-	1,523,500
Gardens Compound	242,000	-
	2,278,000	2,663,500

Notes To And Forming Part Of The Financial Statements for the year ended 30 June 2018

20. Related party transactions

(a) Directors

The following persons acted as directors of the company during the period.

Andrew Brown	Trevor McLean
Angela Collins	Neville Seymour
Eleanor Fitz	Andrew Williams
William Keeton	

- i. The directors did not receive any remuneration during the year; and
- ii. There were no transactions with directors or their related parties during the year.

(b) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly. The key management personnel of the entity comprise the Directors and senior management.

	2018	2017
	\$	\$
Aggregate remuneration paid to key management personnel for the year	556,082	626,384

21. Members guarantee

The company is incorporated as a company limited by guarantee under the Corporations Act 2001. If the company is wound up the constitution states that each member is required to contribute to a maximum of \$100 each towards meeting any outstanding obligations. As at 30 June 2018 there was 9 members (2017: 10 members).

22. Fair value measurements

The Company has the following assets that are measured at fair value on a recurring basis after initial recognition. The Company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	2018	2017
	\$	\$
Assets		
Land	3,595,000	3,595,000
Buildings and improvements	32,355,000	31,608,232
Investment properties	37,044,500	27,106,818
	72,994,500	62,310,050

(i) The fair value of freehold land, buildings and improvements is based on an external independent valuation performed in June 2018.

Director's Declaration

The directors declare that the financial statements and notes as set out on pages 6 to 24:

- (a) Comply with Australian Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
- (b) Give a true and fair view of the Company's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date.

In the director's opinion:

- (a) The financial statements are in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This is declaration is made in accordance with a resolution of the directors.



William Keeton
Director and Member of the Audit, Finance & Risk Committee

21 September 2018

Independent auditor's report to the members of Westmont Aged Care Services Limited.

Opinion

We have audited the accompanying financial statements, being general purpose financial statements – reduced disclosure requirements, of Westmont Aged Care Services Ltd (the Company), which comprise the statement of financial position at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes, and directors declaration.

In our opinion, the financial statements of the company are in accordance with the *Australian Charities and Not for Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and complying with the *Australian Charities and Not for Profits Commission Regulation 2013*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001* and the *Australian Charities and Not for Profits Commission Act 2012*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report (continued)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards – reduced disclosure requirements, and the *Australian Charities and Not for Profits Commission Act 2012* and for such internal control as the directors determine necessary to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Johnsons MME
Chartered Accountant



Stephen Clarke
Director

Albury
21 September 2018



Westmont 
Aged Care Services Ltd

ABN 87 112 051 457
265 Baranduda Boulevard, Baranduda VIC 3691

P: 02 6043 9999

E: admin@westmont.org.au

www.westmont.org.au